

1 LATHAM & WATKINS LLP
2 Patrick E. Gibbs, Bar No. 183174
patrick.gibbs@lw.com
3 Matthew Rawlinson, Bar No. 231890
matt.rawlinson@lw.com
4 140 Scott Drive
Menlo Park, California 94025
Telephone: +1.650.328.4600
5 Facsimile: +1.650.463.2600

6 LATHAM & WATKINS LLP
Colleen C. Smith, Bar No. 231216
colleen.smith@lw.com
7 650 Town Center Drive, 20th Floor
8 Costa Mesa, California 92626-1925
Telephone: +1.714.540.1235
9 Facsimile: +1.714.755.8290

10 *Attorneys for Nominal Defendant STEC, Inc.*
and Defendants Manouch Moshayedi,
11 *Mehrdad Moshayedi, Raymond D. Cook,*
Rajat Bahri, Robert M. Saman, Masoud
12 *Moshayedi, Dan Moses, F. Michael Ball,*
Matthew Witte, Christopher Colpitts,
13 *Mehrdad Moshayedi Trust, Manouch*
Moshayedi Trust, and Masoud Moshayedi
14 *Trust*

15 [Additional Counsel on Signature Page]

16 **UNITED STATES DISTRICT COURT**
17 **CENTRAL DISTRICT OF CALIFORNIA**

18 WILLIAM A. SOKOLOWSKI,

19 Plaintiff,

20 v.

21 MANOUCHEHR MOSHAYEDI, ET
22 AL.,

23 Defendants,

24 and

25 STEC, INC., a California Corporation,
26 Nominal Defendant.

Case No. 12-civ-1862-JVS(MLGx)

**JOINT STIPULATION
REGARDING SETTLEMENT
AGREEMENT AND DISMISSAL
OF ACTIONS**

Judge: Hon. James V. Selna
Ctrm. 10C

1 WILLIAM A. SOKOLOWSKI,
 2 Plaintiff,
 3
 4 v.
 5 WESTERN DIGITAL CORP., *et al.*,
 6 Defendants,
 7 and
 8 STEC, INC., a California Corporation,
 9 Nominal Defendant.

Case No. 13-CV-01277-JVS (ANx)

10 Plaintiff in the above-captioned actions, William A. Sokolowski, on behalf
 11 of himself, by and through his counsel of record (“Plaintiffs’ Counsel”) and
 12 defendants in *Sokolowski v. Moshayedi*, No. 12-CV-01862-JVS (ANx)
 13 (“*Sokolowski I*”), Manouch Moshayedi, Mehrdad Moshayedi, Raymond D. Cook,
 14 Rajat Bahri, Robert M. Saman, Masoud Moshayedi, Dan Moses, F. Michael Ball,
 15 Matthew Witte, Christopher Colpitts, Mehrdad Moshayedi Trust, Manouch
 16 Moshayedi Trust, Masoud Moshayedi Trust, and Nominal Defendant sTec, Inc.
 17 (“sTec”), by and through their counsel of record; and defendants in *Sokolowski v.*
 18 *Western Digital Corp.*, No. 13-CV-01277-JVS (ANx) (“*Sokolowski II*”), Western
 19 Digital Corporation, Lodi Ventures, Inc., Kevin C. Daly, Manouch Moshayedi,
 20 Mehrdad Moshayedi, Rajat Bahri, F. Michael Ball, Matthew Witte, Christopher
 21 Colpitts, and Nominal Defendant sTec, Inc., by and through their counsel of record
 22 (collectively, the “Parties”), hereby stipulate as follows:

23 WHEREAS, Plaintiff filed *Sokolowski I* on October 25, 2012;

24 WHEREAS, on June 23, 2013, sTec announced that it had entered into an
 25 Agreement and Plan of Merger with Western Digital Corporation and its wholly-
 26 owned subsidiary, Lodi Ventures, Inc. (collectively, “Western Digital”), pursuant
 27 to which holders of sTec’s common stock would receive \$6.85 per share in cash;
 28

1 WHEREAS, between June 26, 2013 and July 11, 2013, seven stockholders
 2 of sTec filed purported class action lawsuits on behalf of themselves and all others
 3 similarly situated in the Superior Court of the State of California, County of
 4 Orange, against sTec, the members of sTec's Board of Directors, and Western
 5 Digital (the "Orange County Actions");

6 WHEREAS, Plaintiff filed *Sokolowski II* on August 21, 2013;¹

7 WHEREAS, on September 11, 2013, the parties in the Orange County
 8 Actions executed a memorandum of understanding on terms to settle all of the
 9 claims asserted by the plaintiffs in those actions;

10 WHEREAS, on September 12, 2013, sTec was acquired by HGST, Inc., a
 11 subsidiary of Western Digital, Inc.;

12 WHEREAS, following sTec's acquisition, Plaintiff's counsel acknowledged
 13 that Plaintiff had lost standing to pursue the derivative claims asserted in
 14 *Sokolowski I*, but indicated his intention to pursue the remaining, direct claims (*see*
 15 Dkt # 47);²

16 WHEREAS, on November 5, 2013, the defendants in *Sokolowski II* filed a
 17 motion to dismiss the action in its entirety on the grounds that the complaint in that
 18 action failed to state a claim upon which relief can be granted. As of this date, that
 19 motion is still pending;

20 WHEREAS, the parties have concluded that it is desirable that the Actions
 21 be fully and finally settled and have reached a settlement agreement effective
 22 January 6, 2014.

23
 24
 25 ¹ The *Sokolowski I* and *Sokolowski II* cases are collectively referred to herein as the
 "Actions."

26 ² Plaintiff's complaint in *Sokolowski I* was formally consolidated with *In re sTec,*
 27 *Inc. Derivative Litigation*, No. 10-CV-00667-JVS, by order on January 23, 2013.
 28 Dkt # 39. The claims asserted by the lead plaintiff in that case were voluntarily
 dismissed as reflected in this Court's October 17, 2013 dismissal order (Dkt # 46).

1 WHEREFORE, the Parties hereby stipulate and jointly request that the Court
2 enter Orders in the *Sokolowski I* and *II* actions, respectively:

3 (1) dismissing all of the remaining claims in the *Sokolowski I* Action, No.
4 12-CV-01862-JVS (ANx) with prejudice; and

5 (2) dismissing with prejudice the *Sokolowski II* Action, No. 13-CV-01277-
6 JVS (ANx).

7
8 IT IS SO STIPULATED.

9 DATED: January 8, 2014

LATHAM & WATKINS LLP

10 By /s/ Patrick E. Gibbs

11 Patrick E. Gibbs (Bar No. 183174)
12 *patrick.gibbs@lw.com*
13 140 Scott Drive
Menlo Park, CA 94025
Telephone: (650) 328-4600

14 *Attorneys for Nominal Defendant STEC,
15 Inc. and Defendants Manouchehr
Moshayedi, Mehrdad Moshayedi,
16 Raymond D. Cook, Rajat Bahri, Robert
17 M. Saman, Masoud Moshayedi, Dan
18 Moses, F. Michael Ball, Matthew Witte,
Christopher Colpitts, Mehrdad
Moshayedi Trust, Manouch Moshayedi
Trust, and Masoud Moshayedi Trust*

19
20 DATED: January 8, 2014

SHEARMAN & STERLING, LLC

21 By /s/ Stephen D. Hibbard

22 Stephen D. Hibbard (Bar No. 177865)
shibbard@shearman.com
23 Four Embarcadero Center, Suite 3800
24 San Francisco, CA 94111-5994
Telephone: (415) 616-1100

25 *Attorneys for Defendants Western
26 Digital Corporation and Lodi Ventures,
Inc.*

1 DATED: January 8, 2014

GIBSON, DUNN & CRUTCHER LLC

2 By /s/ Meryl L. Young

3
4 Meryl L. Young (Bar No. 110156)
5 *myoung@gibsondunn.com*
6 3161 Michelson Drive
7 Irvine, CA 92612-4412
8 Telephone: (949) 451-4229

9
10 *Attorneys for Defendants*
11 *Kevin C. Daly, Manouch Moshayedi,*
12 *Mehrdad Moshayedi, Rajat Bahri, F.*
13 *Michael Ball, Matthew Witte,*
14 *Christopher Colpitts, and Nominal*
15 *Defendant sTec, Inc.*

16 DATED: January 8, 2014

CUNEO GILBERT & LADUCA LLP

17 By /s/ Jonathan W. Cuneo

18
19 Jonathan W. Cuneo
jorc@cuneolaw.com
20 Matthew E. Miller
mmiller@cuneolaw.com
21 507 C Street, N.E.
22 Washington, D.C. 20002
23 Telephone: (202) 789-3960

24
25 *Attorneys for Plaintiff*
26 *William A. Sokolowski*

27 DATED: January 8, 2014

28 GREENFIELD & GOODMAN, LLC

By /s/ Richard D. Greenfield

Richard D. Greenfield
whitehatrdg@earthlink.net
Ilene F. Brookler (Bar No. 269422)
ibrookler@gmail.com
250 Hudson Street-8th Floor
New York, New York 10013
Telephone: (917) 495-4446

29
30 *Attorneys for Plaintiff*
31 *William A. Sokolowski*